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JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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INDUSTRIAL PRODUCTION INCREASE REFLECTS ECONOMIC EXPANSION

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WASHINGTON, D.C. – The rise of industrial production in June is consistent with solid economic growth, Chairman Jim Saxton said today. The Federal Reserve reported today that industrial production increased 0.8 percent in June, and 4.5 percent over the last 12 months. Saxton made the following statement regarding the new figures:

“The increase in industrial production reported today reflects the continued growth and resiliency of the U.S. economy. Although the rate of economic growth has moderated from the blistering 5.6 percent pace of the first quarter, the economy remains on track to expand by about 3.5 percent in 2006, according to the Blue Chip consensus.

“The increase in production of business equipment is especially impressive, with 13.2 percent growth in the second quarter. The strong performance in business equipment reflects the rebound of investment after enactment of the 2003 investment tax incentives. These tax incentives, together with Federal Reserve policy, created a good environment for a turnaround in investment that has boosted overall economic growth in recent years.”

Industrial Production
SA, 2002=100



Source: Federal Reserve Board /Haver Analytics

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